30 January 1957

MEMORANDUM FOR THE DIRECTOR

SUBJECT: Probable Reactions to US Policy of Conciliation of Masser

## Present Attitudes of Interested Parties Toward Saypt

1. The UK and France remain convinced that Nasser must be curbed and if possible everthrows, not only because of his continuing threat to the Suez Canal but also because of his aggressive support and encouragement of extremist nationalist elements throughout the Arab world. Although the UK and France probably see some advantages in reaching a compromise settlement of the Sues issue for the sake of restoring the movement of oil supplies through the canal and thus relieving present strains on their economies, they will almost certainly be unable to obtain from Masser a settlement fully satisfactory to them and under the circumstances may prefer to continue the present impasse in the hope that Egypt can eventually be forced to back down. They will almost cortainly continue political warfare and economic measures to undermine the Nasser regime and will look to the US for cooperation at least in the latter sphere.

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- 2. Within the Middle Sast, there are few governments which fully support Nasser despite his wide popular appeal. The presently dominant leftist and ultranationalist claments in the Syrian government favor close ties with Nasser and have explored the idea of federation with Egypt. Saudi Arabia and Yavnes contimes to cooperate with Egypt because of the help it provides in combatting the British and because of their fear of offending Nasser. However, Saudi Arabia is concerned about Egypt's Soviet ties and about the less of oil revenues brought about by Masser's precipitate unliateral actions with respect to Sucz, and both Saudi Arabia and Yemen are wary because of Egyptian encouragement of subversive activities in their countries.
- 3. The leaders of the four Middle Cast governments in the Baghdad Pact, especially those of Iraq, are bitterly opposed to Masser and have repeatedly asked for strong US measures to curb him. The pro-Western moderate leaders of Lebason regard Nasser as irresponsible and dangerous and have recently expressed fresh concern about Egyptian efforts to stir up trouble in Lebauon. The weak Jordanian government has slid into the Egyptian-Syrian orbit more for want of an alternative than by choice; there is evidence

promptly took up his bid for aid to replace the British subsidy.

In Jordan, Lebanon, and in Iraq, popular enthusiasm for Nasser
is a source of concern to the government. Israel, of course, contiones to regard Nasser as its prime enemy.

- A. Egypt's African neighbors are deeply suspicious of the Nasser regime. The governments of Libya and the Sudan, which have leaned toward Egypt in the past, have been angered by the subversive activities of Egyptian military attaches and diplomats and despite their fears of Egypt have swung over into opposition. In Tunisia, Bourguiba has been alienated by Egypt's continuing support of extremist elements. Ethiopia, which fears Moslem domination and like the Sudan has claims with respect to the Nile which conflict with those of Egypt, has long been opposed to Egyptian efforts to establish begamony in the area.
- 5. Relations between India and Egypt are not close, and there are indications that Indian leaders are concerned about the Nasser regime's irresponsibility and lock of political maturity. However, india and other neutralist nations of Asia have supported Egypt on the nationalization and intervention issues, and because of their desire to restore canal operations and liquidate a source of

international tension will probably continue to urge the Western powers to meet Nasser's terms for a settlement. In addition, the Indians are more convinced than the nations previously named that the Nasser regime must be accepted as a legitimate expression of Egyptian sationalism.

## Probable Reactions to US Coaciliation of Nasser

5. Minor U5 concessions to Nasser in an effect to facilitate a Suez settlement would probably not have any serious impact on other countries if undertaken within the context of continued support for pro-Western elements in the Middle East. However, any major U5 moves toward conciliation and support of the Nasser regime at this time would have a profoundly disturbing effect. Such a move would be welcomed by the present Syrian government, by Saudi Arabia, which hopes that its pro-Egyptian and anti-British policies could be continued without prejudice to its U5 connection, and by ladia, which would see the U5 move as a possible start toward U5 shandonment of its "military bloc" policies. However, such a move would generally be regarded as an act of weakness and appearement and it would thereby revive present fears and misgivings of the UK.

France, and most Middle East governments about U5 willingness to

fellow through with a firm Middle East policy. Strains between the US and its principal NATO partners would be increased.

7. Within Egypt, major US conciliatory moves would greatly strengthen the position of the regime and lessen the chances of Masser's being later everthrown. Throughout the Middle Sast and North Africa the prestige of Nasser and of the extremist elements he is supporting would be strangthened. Jordan would almost certainly become more firmly cameshed with Egypt, and Libya and the Sudan would probably feel it expedient to swing back toward pre-Egyptian policies. Pressure against the pro-Western leadership in Iraq and Lebanon would increase and in Pakistan and Iran the government would be open to charges of having made unnocessary commitments in order to obtain US support. The Baghdad Pact would be discredited, and the chance of developing any alternative or supplementary regional defense grouping under the Presidential proposals would be greatly diminished.

FOR THE BOARD OF NATIONAL ESTIMATES:

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